

Message Text

SECRET

PAGE 01 STATE 184781
ORIGIN AF-10

INFO OCT-01 EUR-12 ISO-00 AID-05 SS-15 SP-02 L-03
INR-10 HA-05 EB-08 OES-09 /080 R

DRAFTED BY AF/W JLEWIS:PCM
APPROVED BY AF
AF/W:RHOUEK
AFR/SFWA:HGRAY
AF/EP:CCUNDIFF

-----015331 211845Z /41

O 211823Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY ROME IMMEDIATE
AMEMBASSY DAKAR PRIORITY

S E C R E T STATE 184781

FOR ASSISTANT SECRETARY MOOSE FROM HARROP

E.O. 11652: XGDS-1

TAGS: PEPR, EAID, SG

SUBJECT: MOOSE BILATERALS IN SENEGAL

1. ISSUE - BALANCE OF PAYMENTS SITUATION

ESSENTIAL FACTORS: SENEGAL IS CURRENTLY RUNNING ITS EIGHTH CONSECUTIVE ANNUAL BALANCE OF PAYMENTS DEFICIT. THIS YEAR'S IS FAR THE LARGEST EVER. GROUND NUTS AND PHOSPHATES HAVE HISTORICALLY ACCOUNTED FOR MORE THAN HALF OF FOREIGN EXCHANGE EARNINGS. GROUND NUT PRODUCTION HAS BEEN SUBJECT TO WIDE FLUCTUATIONS SINCE INDEPENDENCE DUE TO CLIMATIC FACTORS AND PHOSPHATE EARNINGS HAVE BEEN OFF CONSIDERABLY FROM THEIR PEAK FOR SEVERAL YEARS. AS A RESULT OF THIS YEAR'S POOR HARVEST, SENEGAL IS RECEIVING

SECRET

SECRET

PAGE 02 STATE 184781

CONSIDERABLE BALANCE OF PAYMENTS SUPPORT FROM THE EUROPEAN ECONOMIC COMMUNITY THROUGH STABEX, A PROVISION IN THE LOME CONVENTION WHICH PROVIDES COMPENSATION FOR EXPORT LOSSES. IN THE PAST SEVERAL YEARS, THE IMF ON SEVERAL OCCASATIONS HAS SUPPLIED SENEGAL WITH SMALL LOANS FOR BALANCE OF PAYMENTS PURPOSES. THE SENEGALESE GOVERNMENT HAS A TRADITION OF CONSERVATIVE FINANCIAL

MANAGEMENT AND IS RELUCTANT TO USE IMF CREDIT EXCEPT IN SMALL AMOUNTS. WE BELIEVE THE STABEX-TYPE OF MANAGEMENT IS PREFERABLE FORM OF FINANCIAL ASSISTANCE FOR BALANCE OF PAYMENTS.

2. AF IS EXPLORING WITHIN THE DEPARTMENT THE POSSIBILITY OF PROPOSING TO CONGRESS THAT SENEGAL, AS PART OF A REGIONAL PACKAGE, BE MADE ELIGIBLE FOR SECURITY SUPPORTING ASSISTANCE IN FY 1980.

TALKING POINTS (IF RAISED):

-- THE U.S. IS GIVING CONSIDERATION TO SENEGAL'S REQUEST FOR BALANCE OF PAYMENTS FINANCIAL ASSISTANCE.

3. ISSUE - U.S. DEVELOPMENT ASSISTANCE TO SENEGAL

ESSENTIAL FACTORS: U.S. ECONOMIC ASSISTANCE TO SENEGAL FROM 1961 THROUGH SEPTEMBER 1977 AMOUNTED TO 82.2 MILLION DOLLARS OF WHICH 39.3 MILLION DOLLARS WAS FOOD FOR PEACE (PL 480 TITLE I AND II) AND 12.7 MILLION DOLLARS WAS FOR THE PEACE CORPS. AID'S FY 1978 PROGRAM WILL AMOUNT TO ABOUT 13.5 MILLION DOLLARS AND CENTER ON AGRICULTURE, HEALTH AND FAMILY PLANNING. PRESIDENT SENGHOR ACTIVELY SUPPORT CLUB DU SAHEL GOALS AND SENEGAL'S COMMITMENT
SECRET

SECRET

PAGE 03 STATE 184781

TO DEVELOPMENT HAS BEEN SUBSTANTIAL. RECENT GOVERNMENT MEASURES ARE ORIENTING THE COUNTRY TOWARDS THE RURAL POOR THROUGH:

-- CONCENTRATING RESOURCES TO ACHIEVE FOOD SELF-SUFFICIENCY, THUS MOVING AWAY FROM DEPENDENCE ON A SINGLE EXPORT CROP;

-- INCREASING THE USE OF WATER RESOURCES AND DEVELOPMENT OF RIVER BASINS;

-- IMPROVING HUMAN RESOURCE CAPABILITIES, ESPECIALLY AMONG WOMEN;

-- REDUCING THE POPULATION GROWTH RATE , AND;

-- MAKING HEALTH SERVICES AVAILABLE TO THE RURAL POOR.

TALKING POINTS:

-- SENEGAL'S COMMITMENT AND PROGRAMS OF ACTION TO BRING RURAL PEOPLE INTO THE MARKET ECONOMY, THEREBY

IMPROVING THEIR QUALITY OF LIFE, ARE HIGHLY COMMENDABLE.

-- SENEGAL'S ADVANCED DEVELOPMENT POSITION GIVES IT A KEY ROLE TO PLAY AS A MODEL FOR ITS SISTER STATES IN THE AREAS OF FOOD PRODUCTION AND ADEQUATE NUTRITION FOR ITS

POOR MAJORITY.

4. ISSUE - OMVS AND MANANTALI DAM

ESSENTIAL FACTORS: U.S. ASSISTANCE TO THE SENEGAL RIVER BASIN DEVELOPMENT ORGANIZATION (OMVS) IS PRESENTLY LIMITED TO TECHNICAL ASSISTANCE IN AGRONOMIC RESEARCH, ENVIRONMENTAL ASSESSMENT AND DATA AND INSTITUTIONAL
SECRET

SECRET

PAGE 04 STATE 184781

DEVELOPMENT. AS A MATTER OF POLICY, AID'S SUPPORT IN THE FUTURE FOR SUCH ACTIVITIES AS MAINSTREAM INFRASTRUCTURE AND MAJOR TRANSPORT DEVELOPMENT MUST BE PRIMARILY TO SUPPORT AGRICULTURAL DEVELOPMENT. ANY U.S. CONTRIBUTION WOULD HAVE TO BENEFIT THE RURAL POOR. A CONGRESSIONAL CONFERENCE REPORT ON FOREIGN AID INVITED A DIALOGUE BETWEEN CONGRESSIONAL COMMITTEES AND AID CONCERNING THE AMOUNT OF INFRASTRUCTURE CONTEMPLATED, THE KIND OF CAPITAL ACTIVITIES TO BE DEVELOPED AND THE ROLE OF THE UNITED STATES IN SUCH ACTIVITIES. AID IS CURRENTLY PREPARING A REPORT FOR THE CONGRESS ON THE SUBJECT AS IT RELATES TO SAHEL COUNTRIES. WHILE AID'S AFRICA BUREAU IS WILLING TO CONSIDER A MODEST CONTRIBUTION TO THE MANANTALI DAM, THE DECISION AS TO WHETHER TO DO SO WILL AWAIT COMPLETION OF THE OMVS/UN/IBRD GLOBAL STUDY THIS SUMMER. THE GLOBAL STUDY SHOULD PROVIDE A QUANTITATIVE AND QUALITATIVE EVALUATION OF THE COMBINED EFFECTS OF THE DIAMA AND MANANTALI DAMS IN RELATION TO THE OBJECTIVES OF THE OMVS. THE DECISION ON WHAT TO SAY TO THE OMVS/UN/IBRD STUDY, AID'S ASSESSMENT THEREOF, AID/W POLICY DECISIONS AND CONGRESSIONAL CONSULTATIONS.

TALKING POINTS:

-- AID IS PREPARING A REPORT TO CONGRESS ON INFRASTRUCTURE REQUIREMENTS IN THE SAHEL AS THESE RELATE TO AGRICULTURAL DEVELOPMENT AND THE RURAL POOR.

-- ANY U.S. SUPPORT FOR WATER RESOURCE INFRASTRUCTURE OR MAJOR TRANSPORT DEVELOPMENT, IF FORTHCOMING, WOULD HAVE TO BE PRIMARILY FOR SUPPORT OF AGRICULTURAL DEVELOPMENT. BEYOND THIS, IT WOULD HAVE TO BE DEMONSTRATED THAT THE CONTRIBUTION BENEFITTED THE RURAL POOR.

SECRET

SECRET

PAGE 05 STATE 184781

-- THE POSITION OF THE U.S. GOVERNMENT REGARDING THE
POSSIBLE CONTRIBUTION TO THE MANANTALI OR DIAMA DAMS
MUST WAIT REVIEW OF THE FEASIBILITY STUDIES UNDERTAKEN BY
THE OMVS AND THE IBRD GLOBAL STUDY. SHOULD THESE STUDIES
AND OUR INTERNAL REVIEW DEMONSTRATE THE ECONOMIC AND
SOCIAL VIABILITY OF THESE TWO INFRASTRUCTURE PROJECTS,
WE WOULD EXPLORE WITH THE CONGRESS THE POSSIBILITY OF A

FINANCIAL CONTRIBUTION TO EITHER OR BOTH OF THESE PROJECTS.

VANCE

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BALANCE OF PAYMENTS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE184781
Document Source: CORE
Document Unique ID: 00
Drafter: PCM
Enclosure: n/a
Executive Order: X1
Errors: N/A
Expiration:
Film Number: D780300-0666
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780733/aaaabbim.tel
Line Count: 187
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 33de146f-c288-dd11-92da-001cc4696bcc
Office: ORIGIN AF
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1924349
Secure: OPEN
Status: NATIVE
Subject: MOOSE BILATERALS IN SENEGAL
TAGS: PEPR, EAID, SG
To: ROME DAKAR
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/33de146f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014